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July 16, 2007

Ref: 2976-22054

Honorable James H. Welsh  
Commissioner of Conservation  
Post Office Box 94275  
Baton Rouge, LA 70804-4275

Re: Hearing Application  
Pelican Zone, Reservoir E  
LAPEYROUSE FIELD  
Terrebonne Parish, Louisiana  
Applicant: Castex Energy, Inc.

Dear Mr. Commissioner:

Application is hereby made on behalf of **Castex Energy, Inc.** for the calling of a public hearing, after ten days legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters regarding the Pelican Zone, Reservoir E, Lapeyrouse Field, Terrebonne Parish, Louisiana, for which rules and regulations were established and a drilling and production unit was created by the Office of Conservation Order No. 416-B-11, effective October 11, 2005.

1. To permit applicant, Castex Energy, Inc. to drill, designate and utilize the Castex Energy, Inc.-Dupont No. 2 Well as an additional alternate unit well for the PEL RE SUA, such well to be at the location shown on the plat attached hereto and made a part hereof;
2. To grant a single unit allowable for the PEL RE SUA and to permit the operator of the unit to produce said unit allowable from the unit well, the alternate unit well or the proposed alternate unit well, or from a combination of the wells, at its option;
3. To make a specific finding that such proposed alternate unit well is necessary to effectively and efficiently drain a portion of the PEL RE SUA which cannot be efficiently and economically drained by any other well within the unit.
4. To confirm Castex Energy, Inc. as operator of the PEL RE SUA;

5. To find that, except to the extent contrary to the order granted by the Commissioner of Conservation in connection with the hearing held on this application, the provisions of Office of Conservation No. 416-B-11 shall remain in full force and effect;
6. To provide that the Commissioner of Conservation should be authorized to reclassify the sand and reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of each reservoir changes and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation, and
7. To consider such other matters relating to the subject reservoir as may be appropriate and justified by the evidence presented at the public hearing.

The Pelican Zone, Reservoir E, Lapeyrouse Field, Terrebonne Parish, Louisiana was redefined in Office of Conservation Order No. 416-B-11, effective October 11, 2005.

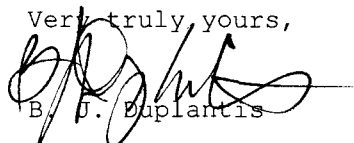
Attached hereto and made a part hereof is a plat outlining the PEL RE SUA, Lapeyrouse Field, Terrebonne Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

A copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this application. Should any such party desire a copy of this list, however, we will be glad to provide one upon request.

Any pertinent data relating to the proposed unit can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Bill Dale of W. H. Robbins & Associates, 302 La Rue France, Suite 100, Lafayette, LA 70505 (337) 232-5004.

Finally, there is enclosed our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, which represents the required hearing application fee.

Very truly yours,

  
B. J. Duplantis

BJD:ht

Attachments

cc: Mr. Richard Hudson, District Manager  
Office of Conservation

All Interested Owners, Represented Parties  
and Interested Parties

